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# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

### Division of Oil, Gas and Mining

JOHN R. BAZA  
Division Director

June 18, 2008

Jason Haddock  
Redmond Minerals, Inc.  
475 West 910 South  
Heber City, UT 84032

Subject: Approval of Amended Notice of Intention to Commence Large Mining Operations, Redmond Minerals, Inc., Redmond Minerals Mine, M/039/0002, Sanpete County, Utah

Dear Mr. Haddock:

The Division has reviewed your proposed amendment for your Redmond Minerals Mine, received on May 14, 2008. This amendment was to add an additional mineral lease to your underground workings. There is no additional surface disturbance planned to access this lease.

The Division hereby approves this amendment. Because there is no change in the surface disturbance (and consequently change in the reclamation plan), there is no need to revise your current approved reclamation surety.

Enclosed is a copy of your amendment marked approved for your records. All future correspondence should reference M/039/0002. Thank you for your help and patience in finalizing this permitting action. Please call me at (801) 538-5258 or Lynn Kunzler at 538-5310 if you have any questions in this regard.

Sincerely,

Susan M. White  
Mining Program Coordinator  
Minerals Regulatory Program

SMW:lk:pb  
Task 2399  
Enclosure: copy of approved amendment  
P:\GROUPS\MINERALS\WP\M039-Sanpete\M0390002-SouthRcsSalt\final\Approval-06182008.doc



**APPROVED**

**JUN 18 2008**

**Addition of Nielson Property to Mining Plan**

**DIV. OIL GAS & MINING**

**I. Summary of Amendment:**

Redmond Minerals, Inc. ("Redmond") has secured the right to mine all salt and salt minerals located on approximately 157.50 acres located directly north and adjacent to Redmond's present underground mining operations. Redmond anticipates continuing an existing tunnel northward into the new acreage without any surface disturbance.

**II. Rule R647-4-104 – Operator, Surface and Mineral Owners.**

**1. Location of Operation ("Nielson Property"):**

County: Sanpete

The West half of the Northwest quarter of Section 13, Township 20 South, Range 1 West, Salt Lake Base and Meridian. Containing 80 acres, more or less. Part of Tax Serial No. 11272X1.\*

The Northeast quarter of the Northwest quarter of Section 13, Township 20 South, Range 1 West, Salt Lake Base and Meridian. Containing 40 acres, more or less. Tax Serial No. 11271.\*

Beginning 20 chains West and 35 chains North from the Southeast corner of the Southwest quarter of Section 13, Township 20 South, Range 1 West, Salt Lake Base and Meridian; thence East 15 chains; thence North 25 chains; thence West 15 chains; thence South 25 chains to the point of beginning. Containing 37.50 acres, more or less. Tax Serial No. 11272.\*

\*Tax serial numbers are included only for convenience. The actual written description controls as to the affected land.

**2. Ownership of the Land Surface and Minerals:**

The land and minerals are owned by Larry Nielson and Echo E. Nielson as joint tenants as to an undivided one-half interest, and by Clair Nielson and Marsha B. Nielson as joint tenants as to an undivided one-half interest.

Clair and Marsha Nielson  
1060 East 650 North  
Orem, UT 84097

Larry and Echo Nielson  
990 South Ridge Road  
Cedar City, UT 84720

**3. Have the above owners been notified in writing? Yes.**

Redmond Minerals, Inc. has entered into a Mineral Lease Agreement with Larry Nielson, Echo E. Nielson, Clair Nielson, and Marsha B. Nielson. A Memorandum of Mineral Lease Agreement was recorded in the office of the Sanpete County Recorder on April 30, 2008 as Entry 154385 in Book 569 at Page 786.

### III. Rule R647-4-105 – Maps, Drawings & Photographs

See attached Exhibit A.

**APPROVED**

**JUN 18 2008**

**DIV. OIL GAS & MINING**

### IV. Rule R647-4-106 – Operation Plan

1. Mineral to be mined: salt
2. Redmond mines with conventional drill and blast methodology using ammonium nitrate prill agent and some dynamite. Access to the Nielson Property will be through continuance of existing underground tunnels. Redmond anticipates no surface disturbance on the Nielson Property.
3. Redmond has been mining underground using conventional drill blast techniques at this location since approximately 1970. During such time Redmond has not noticed any surface subsidence issues related to its mining activities. Because the Nielson Property is directly north and adjacent to Redmond's present mining operations, underground geology is expected to remain the same.

### V. Signature

I hereby certify that the foregoing is true and correct

Signature of Operator/Applicant:

Name: Rhett Roberts



Position: CEO

Date: 5/12/2008

**RECEIVED**

**MAY 14 2008**

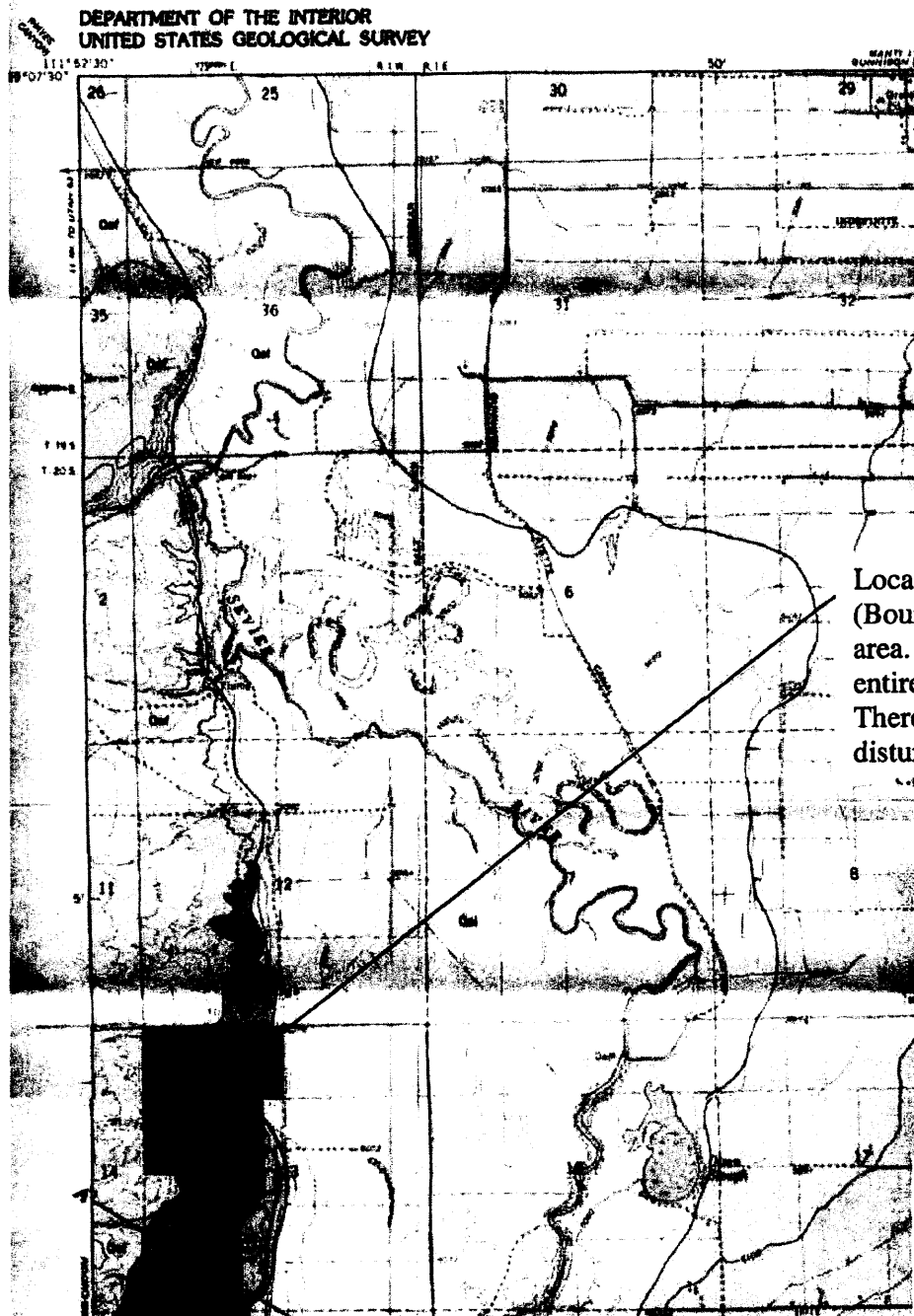
**DIV. OF OIL, GAS & MINING**

APPROVED

JUN 18 2008

Exhibit A  
[USGS topographic map of the Redmond Quadrangle  
showing the boundaries of the mining area]

DIV. OIL GAS & MINING



Location of Operation  
(Boundaries of the mining  
area. Mining will be  
entirely underground.  
There will be no surface  
disturbance.)